

# SENATE BILL 343

P1, P2, P3

2lr1336  
CF HB 277

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By: **Senators Pugh, Benson, Conway, Forehand, Gladden, Jones–Rodwell, Kelley, King, McFadden, Montgomery, Muse, Peters, Ramirez, Raskin, and Rosapepe**

Introduced and read first time: January 30, 2012

Assigned to: Budget and Taxation and Education, Health, and Environmental Affairs

Reassigned: Education, Health, and Environmental Affairs and Budget and Taxation,  
February 1, 2012

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 20, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Government – Brokerage and Investment Management Services – Use**  
3 **of Minority Business Enterprises – Application**

4 FOR the purpose of making certain additional State units that are responsible for the  
5 management of certain funds subject to the requirements under current law  
6 that are already applicable to certain units concerning the use of certain  
7 minority business enterprise brokerage and investment services firms;  
8 specifying that a certain annual report that must be submitted to the Governor  
9 and the General Assembly by all of the units that are subject to the minority  
10 business enterprise brokerage and investment services firm requirements  
11 include diversity information concerning brokerage and investment  
12 management services firms in all allocated asset classes; and generally relating  
13 to the use of minority business enterprise brokerage and investment  
14 management services firms for certain purposes by certain State units.

15 BY repealing and reenacting, without amendments,  
16 Article 95 – Treasurer  
17 Section 22G(a), (b), (h), and (j)  
18 Annotated Code of Maryland  
19 (2010 Replacement Volume and 2011 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 BY repealing and reenacting, without amendments,  
2 Article – Economic Development  
3 Section 14–102  
4 Annotated Code of Maryland  
5 (2008 Volume and 2011 Supplement)
- 6 BY adding to  
7 Article – Economic Development  
8 Section 14–103  
9 Annotated Code of Maryland  
10 (2008 Volume and 2011 Supplement)
- 11 BY repealing and reenacting, with amendments,  
12 Article – Economic Development  
13 Section 14–103  
14 Annotated Code of Maryland  
15 (2008 Volume and 2011 Supplement)
- 16 BY adding to  
17 Article – Education  
18 Section 11–1001 and the new subtitle “Subtitle ~~11~~ 10. Use of Minority Business  
19 Enterprises for Brokerage and Investment Management Services”  
20 Annotated Code of Maryland  
21 (2008 Replacement Volume and 2011 Supplement)
- 22 BY adding to  
23 Article – Housing and Community Development  
24 Section 4–501.1  
25 Annotated Code of Maryland  
26 (2006 Volume and 2011 Supplement)
- 27 BY repealing and reenacting, with amendments,  
28 Article – Insurance  
29 Section 20–303  
30 Annotated Code of Maryland  
31 (2011 Replacement Volume)
- 32 BY repealing and reenacting, with amendments,  
33 Article – Labor and Employment  
34 Section 10–122  
35 Annotated Code of Maryland  
36 (2008 Replacement Volume and 2011 Supplement)
- 37 BY repealing and reenacting, with amendments,  
38 Article – State Finance and Procurement  
39 Section 6–222  
40 Annotated Code of Maryland

1 (2009 Replacement Volume and 2011 Supplement)

2 ~~BY adding~~

3 ~~Article – State Finance and Procurement~~

4 ~~Section 14-306~~

5 ~~Annotated Code of Maryland~~

6 ~~(2009 Replacement Volume and 2011 Supplement)~~

7 BY repealing and reenacting, with amendments,

8 Article – State Personnel and Pensions

9 Section 21-116

10 Annotated Code of Maryland

11 (2009 Replacement Volume and 2011 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – State Personnel and Pensions

14 Section 35-302

15 Annotated Code of Maryland

16 (2009 Replacement Volume and 2011 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article 95 – Treasurer**

20 22G.

21 (a) (1) There is a Local Government Investment Pool. The Local  
22 Government Investment Pool consists of the aggregate of all funds from local  
23 governments that are placed in the custody of the State and any funds of the State  
24 that are placed in the Local Government Investment Pool by the Treasurer for  
25 investment and reinvestment.

26 (2) The investment policies for the Local Government Investment Pool  
27 shall be established by the Treasurer.

28 (3) The Treasurer shall administer the Local Government Investment  
29 Pool on behalf of the participating local governments and, to the extent that State  
30 funds are included, on behalf of the State.

31 (4) The Treasurer shall develop such procedures necessary for the  
32 efficient administration of the Pool, including:

33 (i) Specification of minimum amounts which may be deposited  
34 in the Pool and minimum periods of time for which deposits shall be retained in the  
35 Pool;

1 (ii) Payment of amounts equivalent to administrative expenses  
2 from the earnings of the Pool; and

3 (iii) Distribution of the earnings in excess of expenses, or  
4 allocation of losses, to the several participants in a manner which equitably reflects  
5 the differing amount of their respective investments and the differing periods of time  
6 for which the amounts were in the custody of the Pool.

7 (b) (1) The Treasurer shall invest moneys in the Local Government  
8 Investment Pool in accordance with the provisions set forth in §§ 6–222 and 6–223 of  
9 the State Finance and Procurement Article.

10 (2) Notwithstanding any provisions of law to the contrary or any  
11 limitation or restriction contained in any other law, the Treasurer may invest, redeem,  
12 sell, exchange, and reinvest moneys in the Local Government Investment Pool in  
13 bankers' acceptances guaranteed by banking institutions.

14 (h) (1) Subject to the objectives and requirements of this section, the  
15 Treasurer shall formulate procedures for the investment and reinvestment of funds in  
16 the Investment Pool and the acquisition, retention, management, and disposition of  
17 investments of the Investment Pool.

18 (2) (i) The Treasurer may enter into a contractual agreement with  
19 a qualified Maryland fiscal agent and may compensate the agent for services rendered.

20 (ii) The agent may perform investment and administrative  
21 services which the Treasurer is authorized by this section to perform.

22 (j) For the purposes of this section, "local government" includes all of the  
23 legal entities, bodies, and agencies set out in § 22 of this article and local government  
24 insurance pools formed under Title 19, Subtitle 6 of the Insurance Article, but does not  
25 include the State and agencies of the State.

## 26 Article – Economic Development

27 14–102.

28 The Department, the Maryland State Office of Minority Business Enterprise,  
29 the Division of Labor and Industry of the Department of Labor, Licensing, and  
30 Regulation, and the Public Service Commission shall summarize their efforts to  
31 promote the policies related to broadening the ownership of capital in their respective  
32 annual reports as required by law.

33 14–103.

34 (A) THE DEPARTMENT SHALL ATTEMPT TO USE TO THE GREATEST  
35 EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE

1 AND INVESTMENT MANAGEMENT SERVICES FOR ANY FUND ESTABLISHED  
2 UNDER THIS ARTICLE CONSISTENT WITH MINORITY BUSINESS PURCHASING  
3 STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THE STATE  
4 FINANCE AND PROCUREMENT ARTICLE AND CONSISTENT WITH THE FIDUCIARY  
5 DUTIES OF THE DEPARTMENT.

6 (B) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND  
7 INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO  
8 ALL ALLOCATED ASSET CLASSES.

9 (C) (1) TO ASSIST THE DEPARTMENT IN ACHIEVING THE GOAL  
10 DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT  
11 SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL  
12 PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND  
13 INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY ANY  
14 FUND ESTABLISHED UNDER THIS ARTICLE.

15 (2) THE MEASURES UNDERTAKEN BY THE DEPARTMENT SHALL  
16 INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE  
17 DEPARTMENT'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED  
18 RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT  
19 MANAGEMENT SERVICES OPPORTUNITIES AFFORDED UNDER THIS ARTICLE.

20 (D) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF MINORITY  
21 AFFAIRS, THE DEPARTMENT SHALL DEVELOP GUIDELINES TO ASSIST IT IN  
22 IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES  
23 IN ORDER TO HELP IT ACHIEVE THE OBJECTIVE FOR GREATER USE OF  
24 MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT  
25 MANAGEMENT SERVICES UNDER THIS ARTICLE.

26 (E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE DEPARTMENT  
27 SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS  
28 AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE  
29 GENERAL ASSEMBLY ON:

30 (1) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE  
31 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY ANY  
32 FUND ESTABLISHED UNDER THIS ARTICLE IN THE IMMEDIATELY PRECEDING  
33 FISCAL YEAR;

34 (2) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS UNDER  
35 THE CUSTODY OF EACH ENTITY THAT ARE UNDER THE INVESTMENT CONTROL  
36 OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND INVESTMENT  
37 MANAGEMENT SERVICES FIRMS IN EACH ALLOCATED ASSET CLASS; AND



1 BUSINESS ENTERPRISES IN ORDER TO HELP THE COMMISSION ACHIEVE THE  
2 OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR  
3 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FOR ANY FUND  
4 ESTABLISHED UNDER THIS DIVISION III.

5 (E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE COMMISSION SHALL  
6 SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS AND,  
7 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL  
8 ASSEMBLY ON:

9 (1) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE  
10 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY THE  
11 COMMISSION IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

12 (2) THE PERCENTAGE AND DOLLAR VALUE OF THE  
13 COMMISSION'S ASSETS IN ANY FUND ESTABLISHED UNDER THIS ARTICLE THAT  
14 ARE UNDER THE INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE  
15 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS IN EACH  
16 ALLOCATED ASSET CLASS; AND

17 (3) THE MEASURES THE COMMISSION UNDERTOOK IN THE  
18 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH SUBSECTION  
19 (C)(2) OF THIS SECTION.

20 Article – Housing and Community Development

21 4-501.1.

22 (A) THE DEPARTMENT SHALL ATTEMPT TO USE TO THE GREATEST  
23 EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE  
24 AND INVESTMENT MANAGEMENT SERVICES TO THE DEPARTMENT FOR THE  
25 FUNDS ESTABLISHED UNDER THIS SUBTITLE CONSISTENT WITH MINORITY  
26 BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE  
27 GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND  
28 CONSISTENT WITH THE FIDUCIARY DUTIES OF THE DEPARTMENT.

29 (B) FOR PURPOSES OF THIS SECTION, BROKERAGE AND INVESTMENT  
30 MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL  
31 ALLOCATED ASSET CLASSES.

32 (C) (1) TO ASSIST THE DEPARTMENT IN ACHIEVING THE GOAL  
33 DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION, THE DEPARTMENT  
34 SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL  
35 PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND

1 INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE  
2 DEPARTMENT FOR THE FUNDS ESTABLISHED UNDER THIS SUBTITLE.

3 (2) THE MEASURES UNDERTAKEN BY THE DEPARTMENT SHALL  
4 INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE  
5 DEPARTMENT'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED  
6 RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT  
7 MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE DEPARTMENT FOR  
8 THE FUNDS ESTABLISHED UNDER THIS SUBTITLE.

9 (D) IN CONJUNCTION WITH THE GOVERNOR'S OFFICE OF MINORITY  
10 AFFAIRS, THE DEPARTMENT SHALL DEVELOP GUIDELINES TO ASSIST IT IN  
11 IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES  
12 IN ORDER TO HELP THE DEPARTMENT ACHIEVE THE OBJECTIVE FOR GREATER  
13 USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT  
14 MANAGEMENT SERVICES FOR THE FUNDS ESTABLISHED UNDER THIS SUBTITLE.

15 (E) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE DEPARTMENT  
16 SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS  
17 AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE  
18 GENERAL ASSEMBLY ON:

19 (1) THE IDENTITY OF THE MINORITY BUSINESS ENTERPRISE  
20 BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS USED BY THE  
21 DEPARTMENT IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

22 (2) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS IN THE  
23 FUNDS ESTABLISHED UNDER THIS SUBTITLE THAT ARE UNDER THE  
24 INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND  
25 INVESTMENT MANAGEMENT SERVICES FIRMS IN EACH ALLOCATED ASSET  
26 CLASS; AND

27 (3) THE MEASURES THE DEPARTMENT UNDERTOOK IN THE  
28 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH SUBSECTION  
29 (C)(2) OF THIS SECTION.

30 **Article – Insurance**

31 20-303.

32 (a) (1) A financial management committee of the Fund shall manage and  
33 invest all moneys collected by or for the Fund through premiums, earnings from  
34 investments, or from other sources.

1           (2)    The financial management committee consists of the Executive  
2 Director and two members of the Board of Trustees whom the Board of Trustees  
3 chooses.

4           (3)    Of the two members from the Board of Trustees:

5                   (i)    one shall be chosen from the members appointed by the  
6 Governor; and

7                   (ii)   one shall be chosen from the members appointed by the  
8 Association.

9           (b)    (1)   Whenever the amount of moneys in the Fund exceeds the amount  
10 that the Executive Director believes is likely to be required immediately, the financial  
11 management committee may manage the excess as it considers appropriate and invest  
12 the excess in investments legal for casualty insurers under §§ 5–601 through 5–609 of  
13 this article.

14                   (2)   If use of the excess becomes necessary or expedient, the financial  
15 management committee may collect, sell, or otherwise realize on the investment and  
16 any accrued interest.

17           (c)    (1)   (i)   Consistent with minority business purchasing standards  
18 applicable to units of State government under the State Finance and Procurement  
19 Article and consistent with the fiduciary duties of the financial management  
20 committee, the financial management committee shall attempt to use to the greatest  
21 extent feasible minority business enterprises to provide brokerage and investment  
22 management services to the committee.

23                           (ii)   For purposes of this subsection, brokerage and investment  
24 management services shall include services relating to all allocated asset classes.

25                   (2)   (i)   To assist it in achieving the goal described under paragraph  
26 (1) of this subsection, the financial management committee shall undertake measures  
27 to remove any barriers that limit full participation by minority business enterprises in  
28 brokerage and investment management services opportunities afforded by the Fund.

29                           (ii)   The measures undertaken by the financial management  
30 committee shall include the use of a wide variety of media, including the Fund's Web  
31 site, to provide notice to a broad and varied range of potential providers about the  
32 brokerage and investment management services opportunities afforded by the Fund.

33           (3)    In conjunction with the Governor's Office of Minority Affairs, the  
34 financial management committee shall develop guidelines to assist the committee in  
35 identifying and evaluating qualified minority business enterprises in order to help the  
36 Fund achieve the objective for greater use of minority business enterprises for  
37 brokerage and investment management services.



1 (e) On or before September 1 each year, the Board shall submit a report to  
2 the Governor's Office of Minority Affairs and, subject to § 2-1246 of the State  
3 Government Article, the General Assembly on:

4 (1) the identity of the minority business enterprise brokerage and  
5 investment management services firms used by the Board in the immediately  
6 preceding fiscal year;

7 (2) the percentage and dollar value of the Fund assets that are under  
8 the investment control of minority business enterprise brokerage and investment  
9 management services firms **IN EACH ALLOCATED ASSET CLASS**; and

10 (3) the measures the Board undertook in the immediately preceding  
11 fiscal year in accordance with subsection (c)(2) of this section.

## 12 **Article – State Finance and Procurement**

13 6-222.

14 (a) The Treasurer may invest or reinvest unexpended or surplus money over  
15 which the Treasurer has custody in:

16 (1) an obligation for which the United States has pledged its faith and  
17 credit for the payment of the principal and interest;

18 (2) an obligation that a federal agency or a federal instrumentality has  
19 issued in accordance with an act of Congress;

20 (3) a repurchase agreement collateralized in an amount not less than  
21 102% of the principal amount by an obligation of the United States, its agencies or  
22 instrumentalities, provided the collateral is held by a custodian other than the seller  
23 designated by the buyer;

24 (4) bankers' acceptances guaranteed by a financial institution with a  
25 short-term debt rating in the highest letter and numerical rating by at least one  
26 nationally recognized statistical rating organization as designated by either the  
27 United States Securities and Exchange Commission or the Treasurer;

28 (5) with respect to amounts treated by the Internal Revenue Service  
29 as bond sale proceeds only, bonds, notes, or other obligations of investment grade in  
30 the highest quality letter and numerical rating by at least one nationally recognized  
31 statistical rating organization as designated by the United States Securities and  
32 Exchange Commission issued by or on behalf of this or any other state or any agency,  
33 department, county, municipal or public corporation, special district, authority, or  
34 political subdivision thereof, or in any fund or trust that invests only in securities of  
35 the type described in this paragraph;

1 (6) commercial paper that has received the highest letter and  
2 numerical rating by at least two nationally recognized statistical rating organizations  
3 as designated by the United States Securities and Exchange Commission, provided  
4 that such commercial paper may not exceed 10% of the total investments made by the  
5 Treasurer under this subsection;

6 (7) money market mutual funds that:

7 (i) are registered with the Securities and Exchange  
8 Commission under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as  
9 amended;

10 (ii) are operated in accordance with Rule 2A-7 of the  
11 Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended; and

12 (iii) have received the highest possible rating from at least one  
13 nationally recognized statistical rating organization as designated by the United  
14 States Securities and Exchange Commission; and

15 (8) any investment portfolio created under the Maryland Local  
16 Government Investment Pool defined under Article 95, § 22G of the Code that is  
17 administered by the Office of the State Treasurer.

18 (b) The Treasurer may sell, redeem, or exchange an investment or  
19 reinvestment made under this section in accordance with the limitations of this  
20 section.

21 (c) Subject to § 2-1246 of the State Government Article, the Treasurer shall  
22 report by January 3 of each year to the General Assembly on investment activities for  
23 unexpended or surplus money over which the Treasurer has custody which have been  
24 conducted during the previous fiscal year. At a minimum, the report shall specify for  
25 General Fund investments and all other investments:

26 (1) the inventory of investments with maturity dates and the book and  
27 market value as of June 30;

28 (2) the net income earned;

29 (3) the percentage share of each category of investment in the  
30 portfolio; and

31 (4) any sale of investments prior to the maturity date.

32 (d) An investment made pursuant to this section shall be made:

33 (1) with the care, skill, prudence, and diligence under the  
34 circumstances then prevailing that a prudent person acting in a like capacity and

1 familiar with such matters would use in the conduct of an enterprise of a like  
2 character and with like aims;

3 (2) in a manner designed to reasonably match the anticipated cash  
4 flow of the State so that sufficient funds are available to pay obligations upon proper  
5 presentation for payment;

6 (3) so that a reasonable amount of cash or cash equivalents is  
7 available for unanticipated cash needs;

8 (4) with due regard for minimizing risk while maximizing return;

9 (5) using competitive purchasing practices except when impractical;

10 (6) in accordance with a written investment policy;

11 (7) so that the securities and collateral may continue to be priced on a  
12 market to market basis; and

13 (8) to avoid the enhancement of the personal financial position of the  
14 Treasurer or any employee of the Treasurer who has responsibilities for such  
15 investments.

16 (e) (1) (i) Consistent with minority business purchasing standards  
17 applicable to units of State government under this article and consistent with the  
18 fiduciary duties of the Treasurer, the Treasurer shall attempt to use to the greatest  
19 extent feasible minority business enterprises for brokerage and investment  
20 management services under this section.

21 (ii) For purposes of this subsection, brokerage and investment  
22 management services shall include services relating to all allocated asset classes as  
23 described in subsection (a) of this section.

24 (2) (i) To assist the Treasurer in achieving the goal described  
25 under paragraph (1) of this subsection, the Treasurer shall undertake measures to  
26 remove any barriers that limit full participation by minority business enterprises in  
27 brokerage and investment management services opportunities afforded under this  
28 section.

29 (ii) The measures undertaken by the Treasurer shall include the  
30 use of a wide variety of media, including the Treasurer's website, to provide notice to a  
31 broad and varied range of potential providers about the brokerage and investment  
32 management services opportunities afforded by the Treasurer.

33 (3) In conjunction with the Governor's Office of Minority Affairs, the  
34 Treasurer shall develop guidelines to assist in identifying and evaluating qualified  
35 minority business enterprises in order to help the Treasurer achieve the objective for

1 greater use of minority business enterprises for brokerage and investment  
2 management services under this section.

3 (4) On or before September 1 each year, the Treasurer shall submit a  
4 report to the Governor's Office of Minority Affairs and, subject to § 2-1246 of the State  
5 Government Article, the General Assembly on:

6 (i) the identity of the minority business enterprise brokerage  
7 and investment management services firms used by the Treasurer in the immediately  
8 preceding fiscal year;

9 (ii) the percentage and dollar value of the assets under the  
10 custody of the Treasurer that are under the investment control of minority business  
11 enterprise brokerage and investment management services firms **FOR EACH**  
12 **ALLOCATED ASSET CLASS**; and

13 (iii) the measures the Treasurer undertook in the immediately  
14 preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

15 ~~14-306.~~

16 ~~(A) (1) THIS SECTION APPLIES TO:~~

17 ~~(I) THE STATE TREASURER IN ACCORDANCE WITH § 6-222~~  
18 ~~OF THIS ARTICLE;~~

19 ~~(II) THE DEPARTMENT OF ECONOMIC AND COMMUNITY~~  
20 ~~DEVELOPMENT IN ACCORDANCE WITH § 14-103 OF THE ECONOMIC~~  
21 ~~DEVELOPMENT ARTICLE;~~

22 ~~(III) THE MARYLAND HIGHER EDUCATION COMMISSION IN~~  
23 ~~ACCORDANCE WITH § 11-1001 OF THE EDUCATION ARTICLE;~~

24 ~~(IV) THE DEPARTMENT OF HOUSING AND COMMUNITY~~  
25 ~~DEVELOPMENT IN ACCORDANCE WITH § 4-501.1 OF THE HOUSING AND~~  
26 ~~COMMUNITY DEVELOPMENT ARTICLE;~~

27 ~~(V) THE MARYLAND INSURANCE FUND IN ACCORDANCE~~  
28 ~~WITH § 20-303 OF THE INSURANCE ARTICLE;~~

29 ~~(VI) THE INJURED WORKERS INSURANCE FUND IN~~  
30 ~~ACCORDANCE WITH § 10-122 OF THE LABOR AND EMPLOYMENT ARTICLE; AND~~

~~(VII) THE STATE RETIREMENT AND PENSION SYSTEM IN ACCORDANCE WITH §§ 21-116 AND 35-302 OF THE STATE PERSONNEL AND PENSIONS ARTICLE.~~

~~(2) IN ADDITION TO THE UNITS LISTED IN PARAGRAPH (1) OF THIS SUBSECTION, THIS SECTION APPLIES TO ANY OTHER STATE UNIT DESIGNATED BY THE BOARD OF PUBLIC WORKS AND WITH RESPONSIBILITY FOR THE MANAGEMENT OF FUNDS ENTRUSTED TO THE UNIT.~~

~~(B) (1) (i) A UNIT SUBJECT TO THIS SECTION SHALL ATTEMPT TO USE TO THE GREATEST EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES TO THE UNIT CONSISTENT WITH MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE GOVERNMENT UNDER THIS TITLE AND CONSISTENT WITH THE FIDUCIARY DUTIES OF THE UNIT.~~

~~(ii) FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO ALL ALLOCATED ASSET CLASSES.~~

~~(2) (i) TO ASSIST A UNIT IN ACHIEVING THE GOAL DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE UNIT SHALL UNDERTAKE MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED UNDER THIS SUBTITLE.~~

~~(ii) THE MEASURES UNDERTAKEN BY THE UNIT SHALL INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE UNIT'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE UNIT.~~

~~(3) IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS, A UNIT SHALL DEVELOP GUIDELINES TO ASSIST THE UNIT IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS ENTERPRISES IN ORDER TO HELP THE UNIT ACHIEVE THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR BROKERAGE AND INVESTMENT MANAGEMENT SERVICES.~~

~~(4) ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE UNIT SHALL SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:~~

1                   ~~(I) THE IDENTITY OF THE MINORITY BUSINESS~~  
 2 ~~ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS~~  
 3 ~~USED BY THE UNIT IN THE IMMEDIATELY PRECEDING FISCAL YEAR;~~

4                   ~~(II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS~~  
 5 ~~THAT ARE UNDER THE CONTROL OF THE UNIT THAT ARE UNDER THE~~  
 6 ~~INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND~~  
 7 ~~INVESTMENT MANAGEMENT SERVICES FIRMS FOR EACH ALLOCATED ASSET~~  
 8 ~~CLASS; AND~~

9                   ~~(III) THE MEASURES THE UNIT UNDERTOOK IN THE~~  
 10 ~~IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH~~  
 11 ~~(2)(I) OF THIS SUBSECTION.~~

## 12                   Article – State Personnel and Pensions

13 21–116.

14           (a) By resolution, the Board of Trustees shall specify the powers of the  
 15 Investment Committee.

16           (b) The Investment Committee shall advise the Board of Trustees and make  
 17 recommendations on:

18                   (1) the investment programs;

19                   (2) compliance of the investment programs with the policies of the  
 20 Board of Trustees; and

21                   (3) bonding for employees of the State Retirement Agency in the form  
 22 and amount required by law.

23           (c) (1) Subject to subsection (d) of this section, the Board of Trustees shall  
 24 adopt an investment policy manual that details:

25                   (i) the functions of the Investment Division of the State  
 26 Retirement Agency;

27                   (ii) the goals and objectives of the several investment programs;  
 28 and

29                   (iii) the policies that govern the selection and retention of  
 30 investments.

31                   (2) The Investment Committee shall:

1 (i) prepare and maintain the investment policy manual; and

2 (ii) submit the investment policy manual, and any subsequent  
3 amendments to the manual, to the Board of Trustees for approval.

4 (d) (1) (i) Consistent with minority business purchasing standards  
5 applicable to units of State government under the State Finance and Procurement  
6 Article and consistent with the fiduciary duties of the Board of Trustees, the Board of  
7 Trustees shall direct the Investment Committee to attempt to use to the greatest  
8 extent feasible minority business enterprises to provide brokerage and investment  
9 management services to the Board.

10 (ii) For purposes of this subsection, brokerage and investment  
11 management services shall include services relating to all allocated asset classes.

12 (2) (i) To assist it in achieving the goal described under paragraph  
13 (1) of this subsection, the Investment Committee shall undertake measures to remove  
14 any barriers that limit full participation by minority business enterprises in brokerage  
15 and investment management services opportunities afforded under this title.

16 (ii) The measures undertaken by the Investment Committee  
17 shall include the use of a wide variety of media, including the State Retirement  
18 Agency's website, to provide notice to a broad and varied range of potential providers  
19 about the brokerage and investment management services opportunities afforded by  
20 the State Retirement Agency.

21 (3) In consultation with the Governor's Office of Minority Affairs and  
22 the Investment Committee, the Board of Trustees shall develop guidelines to assist  
23 the Investment Committee in identifying and evaluating qualified minority business  
24 enterprises in order to help the State Retirement Agency achieve the objective for  
25 greater use of minority business enterprises for brokerage and investment  
26 management services.

27 (4) On or before September 1 each year, the Investment Committee  
28 shall submit a report to the Board of Trustees, the Governor's Office of Minority  
29 Affairs and, subject to § 2-1246 of the State Government Article, the General  
30 Assembly on:

31 (i) the identity of the minority business enterprise brokerage  
32 and investment management services firms used by the Investment Committee in the  
33 immediately preceding fiscal year;

34 (ii) the percentage and dollar value of the assets that are under  
35 the control of the Investment Committee that are under the investment control of  
36 minority business enterprise brokerage and investment management services firms  
37 **FOR EACH ALLOCATED ASSET CLASS; and**

1 (iii) the measures the Investment Committee undertook in the  
2 immediately preceding fiscal year in accordance with paragraph (2)(ii) of this  
3 subsection.

4 35-302.

5 (A) Assets of the supplemental retirement plans may be deposited and  
6 invested in accordance with the investment elections allowed under the supplemental  
7 retirement plans notwithstanding any other law limiting the types of investments that  
8 may be made with State funds or imposing conditions on the deposit of State funds.

9 (B) (1) (I) **THE BOARD SHALL ATTEMPT TO USE TO THE GREATEST**  
10 **EXTENT FEASIBLE MINORITY BUSINESS ENTERPRISES TO PROVIDE BROKERAGE**  
11 **AND INVESTMENT MANAGEMENT SERVICES TO THE BOARD CONSISTENT WITH**  
12 **MINORITY BUSINESS PURCHASING STANDARDS APPLICABLE TO UNITS OF STATE**  
13 **GOVERNMENT UNDER THE STATE FINANCE AND PROCUREMENT ARTICLE AND**  
14 **CONSISTENT WITH THE FIDUCIARY DUTIES OF THE BOARD.**

15 (II) **FOR PURPOSES OF THIS SUBSECTION, BROKERAGE AND**  
16 **INVESTMENT MANAGEMENT SERVICES SHALL INCLUDE SERVICES RELATING TO**  
17 **ALL ALLOCATED ASSET CLASSES.**

18 (2) (I) **TO ASSIST IT IN ACHIEVING THE GOAL DESCRIBED**  
19 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE BOARD SHALL UNDERTAKE**  
20 **MEASURES TO REMOVE ANY BARRIERS THAT LIMIT FULL PARTICIPATION BY**  
21 **MINORITY BUSINESS ENTERPRISES IN BROKERAGE AND INVESTMENT**  
22 **MANAGEMENT SERVICES OPPORTUNITIES AFFORDED UNDER THIS TITLE.**

23 (II) **THE MEASURES UNDERTAKEN BY THE BOARD SHALL**  
24 **INCLUDE THE USE OF A WIDE VARIETY OF MEDIA, INCLUDING THE STATE**  
25 **RETIREMENT AGENCY'S WEB SITE, TO PROVIDE NOTICE TO A BROAD AND**  
26 **VARIED RANGE OF POTENTIAL PROVIDERS ABOUT THE BROKERAGE AND**  
27 **INVESTMENT MANAGEMENT SERVICES OPPORTUNITIES AFFORDED BY THE**  
28 **STATE RETIREMENT AGENCY.**

29 (3) **IN CONSULTATION WITH THE GOVERNOR'S OFFICE OF**  
30 **MINORITY AFFAIRS, THE BOARD SHALL DEVELOP GUIDELINES TO ASSIST THE**  
31 **BOARD IN IDENTIFYING AND EVALUATING QUALIFIED MINORITY BUSINESS**  
32 **ENTERPRISES IN ORDER TO HELP THE STATE RETIREMENT AGENCY ACHIEVE**  
33 **THE OBJECTIVE FOR GREATER USE OF MINORITY BUSINESS ENTERPRISES FOR**  
34 **BROKERAGE AND INVESTMENT MANAGEMENT SERVICES.**

35 (4) **ON OR BEFORE SEPTEMBER 1 EACH YEAR, THE BOARD SHALL**  
36 **SUBMIT A REPORT TO THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS AND,**

1 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL  
2 ASSEMBLY ON:

3 (I) THE IDENTITY OF THE MINORITY BUSINESS  
4 ENTERPRISE BROKERAGE AND INVESTMENT MANAGEMENT SERVICES FIRMS  
5 USED BY THE BOARD IN THE IMMEDIATELY PRECEDING FISCAL YEAR;

6 (II) THE PERCENTAGE AND DOLLAR VALUE OF THE ASSETS  
7 THAT ARE UNDER THE CONTROL OF THE BOARD THAT ARE UNDER THE  
8 INVESTMENT CONTROL OF MINORITY BUSINESS ENTERPRISE BROKERAGE AND  
9 INVESTMENT MANAGEMENT SERVICES FIRMS FOR EACH ALLOCATED ASSET  
10 CLASS; AND

11 (III) THE MEASURES THE BOARD UNDERTOOK IN THE  
12 IMMEDIATELY PRECEDING FISCAL YEAR IN ACCORDANCE WITH PARAGRAPH  
13 (2)(II) OF THIS SUBSECTION.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2012.

Approved:

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Governor.

\_\_\_\_\_  
President of the Senate.

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Speaker of the House of Delegates.